

VZCZCXRO7384
OO RUEHBI RUEHCI RUEHLH RUEHPW
DE RUEHNE #5138/01 2021010
ZNY CCCCC ZZH
O 211010Z JUL 06
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6831
INFO RUEHBJ/AMEMBASSY BEIJING 3090
RUEHLM/AMEMBASSY COLOMBO 6427
RUEHKA/AMEMBASSY DHAKA 6433
RUEHIL/AMEMBASSY ISLAMABAD 9475
RUEHKT/AMEMBASSY KATHMANDU 7118
RUEHMO/AMEMBASSY MOSCOW 9367
RUEHKO/AMEMBASSY TOKYO 3637
RUEHCI/AMCONSUL CALCUTTA 5486
RUEHCG/AMCONSUL CHENNAI 5493
RUEHKP/AMCONSUL KARACHI 4876
RUEHLH/AMCONSUL LAHORE 2888
RUEHBI/AMCONSUL MUMBAI 4714
RUEHPW/AMCONSUL PESHAWAR 3531
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
RUCNDT/USMISSION USUN NEW YORK 1735
RHMFISS/HQ USCENTCOM MACDILL AFB FL
RUEHGV/USMISSION GENEVA 4037
RHHMUNA/HQ USPACOM HONOLULU HI
RHMFISS/HQ USSOCOM MACDILL AFB FL
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 005138

SIPDIS

SIPDIS

E.O. 12958: DECL: 07/21/2016

TAGS: [PGOV](#) [PINR](#) [PREL](#) [PTER](#) [ECON](#) [IN](#)

SUBJECT: STORM CLOUDS GATHERING OVER PARLIAMENT

REF: A. NEW DELHI 420Q QA"z_lin on July 24, the Left parties and the BJP/NDA opposition have signaled their intention to come out swinging and inflict as much damage as possible on the UPA/Congress. While one press report speculated that the NDA could call for a vote of confidence with the object of bringing down the UPA, the rest of the media has remained silent. The NDA does not have enough seats to pull off such a move. It is likely, however, to mount serious verbal attacks, accusing the UPA of failing to provide security, combat terrorism, hold down price increases and stem corruption. There is a good likelihood that the Left, Right and regional parties will join in combined attacks against a beleaguered Congress/UPA. While the UPA is almost certainly assured of survival, it may have to expend more time and energy defending itself in a post session environment, leaving little impetus for aggressive policy goals. End Summary.

The Left Gearing-up for Action

12. (U) Communist leaders indicated on July 19 that they were determined to make life difficult for the UPA government and it "neo-liberal" Prime Minister Manmohan Singh when Parliament convenes on July 24. Zeroing in on economic policy, the Left Front (LF) accused the UPA of "failure" to check inflation and warned that the Congress Party "cannot take Left support for granted." CPI(M) superstar and MP Brinda Karat accused the UPA of mimicking the previous NDA government's economic policies by reducing the number of items in the essential commodities list from 70 to 15. CPI National Secretary D Raja attacked the UPA's food policy, stating "As far as food security is concerned, the UPA government has been a total failure. Raja asserted that "We will raise the issue of agrarian crisis, including suicides by farmers, food crisis, price rise and general economic conditions in the coming monsoon session of Parliament."

While the BJP is out for Blood

¶3. (U) The "Asian Age" claimed on July 19 that the BJP leadership is seriously considering moving a no-confidence motion against the UPA government. The account asserted that the NDA would call for the UPA government's dismissal for failing to control rising prices, curb terrorism or provide proper security to the nation. The "Asian Age" was the only media outlet to speculate on this possibility.

¶4. (U) The BJP leadership met on July 20 to map out its Parliamentary strategy, and July 21 press reports made no mention of a possible no confidence motion. They did confirm, however, that the BJP parliamentary delegation plans to march to the Presidential palace (Rashtrapati Bhavan) on July 24 and present President Abdul Kalam with a memorandum on "national security," it then plans to "adjourn" the tabled agenda and demand that Parliament devote the entire day to the impact of the Mumbai terrorist attack. The BJP announced that during the monsoon session it plans to attack the UPA on four broad issues, national security (terrorism and the war-room spy case), inflation and price increases on petroleum and essential commodities, corruption (including

NEW DELHI 00005138 002 OF 003

the Volcker case against former Foreign Minister Natwar Singh) and agricultural policies (with a focus on farmers' suicides).

But Willing to Compromise on Offices of Profit

¶5. (U) Press reports indicate that the BJP opposes the "Parliament (Prevention of Disqualification) Amendment Bill, also known as the "office-of-profit Bill" put forward by Congress, as unconstitutional (Ref A). However, the BJP has indicated that it will support an amended bill if it contains the following provisions: that it conform to the Constitution in letter and spirit, allow current serving MP's and MLA's holding "offices of profit" to remain but "draw a firm line" on future violations, include a compromise provision that would discontinue all salaries, allowances and perquisites to MPs and MLAs currently holding "offices of profit."

Some Regional Parties Willing to Back the BJP

¶6. (U) Press reports indicate that some influential regional parties will also join the opposition/left attacks on the UPA. The Samajwadi Party (SP), the ruling party in Uttar Pradesh (UP), continues to support the UPA from outside, but has grown increasingly hostile to Congress in the run-up to the February 2007 UP elections and is likely to support opposition/Left attacks. On July 19, Bahujan Samaj Party (BSP) President and former UP Chief Minister Mayawati also threatened to withdraw her party's support from the UPA if it failed to contain inflation. On July 19, the Telegana Rashtra Samithi (TRS), an Andhra Pradesh (AP) regional party, which currently belongs to the UPA, issued an ultimatum threatening to withdraw from the UPA if the ruling coalition fails to support statehood for the Telengana region of AP before Independence Day on August 15.

Growing Consensus Regarding UPA Vulnerability

¶7. (C) Journalists Sanjay Kapoor and Zafar Agha and Congress MP Rashid Alvi agreed on July 20 that the NDA would love to bring a vote of no-confidence to the floor of Parliament during the Monsoon session, as anti-UPA sentiment has increased dramatically in recent months. They asserted that the purported "failure" of the GOI to prevent the Mumbai terrorist attack, the controversy surrounding the US/India Civil Nuclear Agreement (septel), the petroleum price hike

and rising inflation, as well as serious allegations of UPA corruption provide plenty of ready-made issues for the opposition.

But the Numbers Just Don't Add Up

¶8. (C) While there is a growing consensus that the UPA is weak and vulnerable, almost no one is willing to predict that it will fall. The numbers do not add up. In a house of 529 MPs, the NDA has only 171 seats. It would have to garner 265 seats to win a vote of confidence. Likely candidates come from the SP (41 seats) and a combination of smaller regional parties (30 - 35 seats). Even with the support of these parties, the NDA would fall short, and is unlikely to convince other UPA affiliates to cross over and join the opposition. In addition, the BJP has no charismatic Prime Ministerial Candidate around which to build a no confidence

NEW DELHI 00005138 003 OF 003

motion, and there is little interest in Parliament for a change of government and a new election.

Comment: A Stormy Session - But Life Goes On

¶9. (C) It is almost a certainty in recent Indian politics that Parliamentary sessions are dominated by drama and little substance. This session is unlikely to be different. Should it turn into a free for all, with a wide swath of Left, Right and regional parties attacking the UPA, as many anticipate, the scene could be quite ugly. Placed on the defensive, the Congress Party and Prime Minister Singh could present an image of a party in trouble, weak and on the defensive, furthering weakening the UPA. In the post session environment, the UPA could then become more and more focused on survival and less on realizing ambitious goals.

¶10. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
PYATT